

CVRF Press Release

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New report on CDQ program confirms deep flaws and explores potential solutions

ANCHORAGE, AK – Coastal Villages Region Fund has commissioned and released a report examining economic need among the areas served by each of the six Western Alaska Community Development Quota (CDQ) groups. Coastal Villages is sharing the report with attendees at the Arctic Encounter Symposium in Seattle on April 19-20 and will follow up with a series of community meetings across Western Alaska over the coming months.

The [report](#) establishes that the CDQ groups serving the most economically disadvantaged areas receive the lowest per capita benefit from this federal program, while the groups serving the least distressed areas receive the highest.

The CDQ program was created in 1992 to alleviate poverty and to support economic development in Alaska Native communities along the coast of the Bering Sea. It allocates 10% of federal groundfish fisheries to 65 communities served by six designated CDQ groups that provide their residents a means to invest in the fisheries. As reported last fall in [Alaska Legislative Digest](#), the way the program's benefits are distributed does not reflect the communities' relative populations or need, but rather the political influence they wielded in the 1990s.

“Coastal Villages has known for years that the program's benefits flow disproportionately to the two CDQ groups serving the Aleutian and Pribilof Islands. Their annual reports show that they are able to spend between \$75,000 and \$100,000 per person *per year* on their residents. In contrast, Coastal Villages and our sister organization Norton Sound Economic Development Corporation are respectively only able to spend about \$4,000 and \$2,500 per person per year on our residents,” said Coastal Villages' Corporate Counsel, Art Severance. “That gross disparity really affects what kind of programs we can offer and what kind of investments we can make. We wanted a professional evaluation of the population and economic need of each group to see whether the disparity in benefits distribution is at all justified. What we found is that it most certainly is not.”

The report, prepared by Senior Economist Spencer Cohen, Ph.D., of the research firm [Community Attributes](#), presents an assessment of economic need among the areas served by the six CDQ groups. The analysis reviews current socioeconomic trends, the current allocation of fishing quotas, and alternative scenarios for quota allocations based on a mix of weights, including population and measures of economic need. Key findings include:

- Coastal Villages has the greatest need on six of the reviewed indicators, including the largest population (9,290 residents, 35% of the CDQ population), the highest portion of individuals living in communities identified as “distressed” by the Denali Commission (49.7%), and the lowest per capita income, and has the second highest portion of residents living in poverty by federal standards.
- However, Coastal Villages only receives 24% of the program's Bering Sea pollock quota.

- By contrast, Aleutian Pribilof Island Community Development Association has the least need among the six CDQ groups. It has one of the smallest populations (414 residents, 1.6% of the CDQ population), the smallest portion of individuals living in distressed communities (0.3%), the highest per capita income, and the lowest portion of residents living in poverty by federal standards.
- Nevertheless, APICDA receives 14% of the pollock quota.

“The current CDQ allocations are not fair,” said Stephen Maxie, Jr., of Napaskiak, Vice-President of Coastal Villages. “Our communities are hurting. We have more people and we have more poverty than the other CDQ groups. We deserve to be treated fairly and equitably. This report shows that we are not. No other federal program ignores population or need. The CDQ program is broken and must be fixed.”

The report considers alternative, more equitable allocation models that take into account population and economic need to varying degrees. Coastal Villages has made a [full version](#) of the report along with a condensed [executive summary version](#) for download on its website.

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Coastal Villages Region Fund (CVRF) is a 501(c)(4) Alaska non-profit corporation with 20 member communities located along the west coast of Alaska, from Scammon Bay to Platinum. It is one of six Community Development Quota (CDQ) groups granted fishing rights in the Bering Sea to foster sustainable and diversified local economies in western Alaska.

CVRF is dedicated to creating sensible, tangible, and long-term economic development opportunities that generate hope for the more than 9,300 residents of its communities. CVRF is governed by a Board of Directors consisting of one member elected from each community. It is the largest Alaskan-owned seafood company in history and the first CDQ group to own and control the vessels that harvest the vast majority of its CDQ allocations.

For more information, visit www.CoastalVillages.org and www.facebook.com/CoastalVillagesRegionFund.